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## **DEPARTMENT OF COMMERCE**

### **Foreign-Trade Zones Board**

**[B-07-2019]**

#### **Foreign-Trade Zone (FTZ) 238 – Dublin, Virginia; Notification of Proposed Production Activity; EBI, LLC (Mattresses and Sofas), Danville, Virginia**

The New River Valley Economic Development Alliance, grantee of FTZ 238, submitted a notification of proposed production activity to the FTZ Board on behalf of EBI, LLC (EBI), located in Danville, Virginia. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on April 1, 2019.

EBI is located within Subzone 238C. The facility is used for production of mattresses and sofas. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt EBI from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, EBI would be able to choose the duty rates during customs entry procedures that apply to mattresses, complete sofas, incomplete sofa sections, and sofa cushions (duty-free to 6.0%). EBI would be able to avoid duty on foreign-status components which become scrap/waste.

Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: prepared glues and adhesives; polyethylene plastic film; cellular foam cushioning; high resilience polyurethane foam; polyamide/polyethylene sofa cushion bags; medium density fiber boards; non-woven polyester fiber wadding for cushion covers; felt (100% polyester), not impregnated, coated, covered, or laminated; non-woven (100% polypropylene) protective cover used as packing material for shipping; mattress handles (fastener fabric tape), woven, of synthetic fibers; sofa bed box pullout handles of woven polyester; cotton woven mattress covers; synthetic fiber woven mattress covers; non-woven polypropylene dust covers for mattresses; non-woven polypropylene bags; spring mattress cores (inner springs); sofa springs; zinc furniture hinges; zinc furniture clips; zinc furniture fittings; furniture staples of base metal in strips; sofa covers, cut and sewn, used for upholstery (leather; imitation leather; 100% polyester; and, 75% polyester/25% cotton); completed cotton mattress covers; and, upholstered foam seat cushions (duty rate ranges from duty-free to 9.3%). The request indicates that certain materials/components are subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period

for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Juanita Chen at [juanita.chen@trade.gov](mailto:juanita.chen@trade.gov) or 202-482-1378.

Dated: April 1, 2019.

**Andrew McGilvray,**

*Executive Secretary.*

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